

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s. Sathavahana Ispat Limited, Anantapur District for their proposed Ductile Iron Pipes (DI Pipes) manufacturing facility as forward integration and Sinter Plant as backward integration duly modernizing the existing Mini Blast Furnace – Orders – Issued.

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### INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No. 64

Dated:08-7-2011

Read the following:-

1. From the Managing Director, Sathavahana Ispat Limited, Anantapur District Letter No. Nil, dated. 29.10.2010.
2. State Investment Promotion Committee Meeting held on 10.02.2011
3. State Investment Promotion Board Meeting held on 23.02.2011.

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### ORDER:-

The Managing Director, M/s. Sathavahana Ispat Limited, Anantapur District has informed that they have setup their unit in the year 1992 in the backward area of Haresamudram Village, Bommanahal Mandal, Anantapur District with an investment of Rs.56.00 Crores for producing 1.2 Lakhs TPA of Pig Iron and subsequently expanded the project to 2.5 lakh TPA of Pig Iron during 2003-04. Now, the company has proposed further investment of Rs.400 crores to set up a Ductile Iron Pipes (DI Pipes) manufacturing facility as forward integration and Sinter Plant as backward integration along with captive Power Plant, duly modernizing the existing Mini Blast furnace in two phases with Rs.350 Crores of investment in the 1<sup>st</sup> Phase and Rs.50 Crores in 2<sup>nd</sup> phase at Haresamudram Village, Bommanahal Mandal, Anantapur District. The unit will create employment to 800 persons directly and 2000 persons indirect and requested for the following incentives and the benefits:

- a. Reimbursement of 50% VAT / SGST / CST for a period of 10 years or 100% Tax holiday for first 6 years from the date of commencement of production (DCP).
  - b. 100% exemption from entry tax during project implementation period as well first 8 years of commercial operation.
  - c. Reimbursement of 25% of interest paid by the company on borrowing from the banks / financial institutions (interest @ 13%) during the project implementation period as well as first 8 years of commercial operation.
  - d. 100% cost of the infrastructure from IIDF with a ceiling of Rs.4.5 Crores for approach road.
2. State Investment Promotion Committee (SIPC) have examined the above proposal of the unit and decided to place the matter before the State Investment Promotion Board (SIPB) with certain recommendations.
  3. State Investment Promotion Board in its meeting held on 23.02.2011 examined the proposal of M/s. Sathavahana Ispat Limited in detail and decided to extend the following incentives to the Company:
    - (a) 50% VAT & CST / SGST reimbursement only on the Ductile Iron Pipes proposed to be Manufactured for a period of 5 years from date of commencement of commercial production. No tax incentives will be allowed on the intermediate products like Pig iron and Sinter output; and
    - (b) All other incentives as per the Industrial Investment Promotional Policy 2010-15 Policy.
  4. Government after careful examination of the proposal and in view of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s. Sathavahana Ispat Limited, Haresamudram Village, Bommanahal Mandal, Anantapur District for their proposed Ductile Iron Pipes (DI Pipes) manufacturing facility as decided by the State Investment Promotion Board under Industrial Investment Promotion Policy 2010-2015:-
    - (a) 50% VAT & CST / SGST reimbursement only on the Ductile Iron Pipes proposed to be manufactured for a period of 5 years from date of commencement of commercial production. No tax incentives will be allowed on the intermediate products like Pig iron and Sinter output. The company shall give Preference to locals in providing employment in the unit ; and

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(b) other incentives as per the IIPP 2010-15 Policy, which include:

- (i) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use;
- (ii) 100% reimbursement of Stamp duty for mortgages and hypothecations.
- (iii) Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on the proposed revised rates (2010-11) for 5 years from the date of commencement of commercial production. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately;
- (iv) Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore, as per guidelines;
- (v) 50% Reimbursement of cost involved in skill upgradation and training the local manpower limited to Rs.2000 per person; and
- (vi) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.

5. The Commissioner of Industries, Hyderabad shall take necessary action, accordingly and instruct the General Manager, District Industries Centre, Anantapur to intimate the status of the progress of work done by the unit from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**T.S. APPA RAO,**  
PRINCIPAL SECRETARY TO GOVERNMENT &  
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner of Industries, A.P., Hyderabad.

M/s.Sathavahana Ispat Limited, Anantapur through the Commissioner of Industries, AP,  
Hyderabad.

The District Collector, Anantapur District.

Copy to:

The Revenue (CT) Department./The Revenue (Registration) Department.

The Energy Department./ The Law Dept. /The Irrigation (Reforms) Dept.

The Ind. & Com. (INF) Department./ The Finance (Exp. I&C) Dept.

The Accountant General, AP, Hyd./ The Commr. of C.T., A.P., Hyd.

The VC & MD, APIIC, Hyd./The CMD, APTRANSCO., Hyderabad

The General Manager, District Industries Centre, Ananthapur District

P.S. to Secretary to Chief Minister

P.S. to Minister Major Industries, Sugar, C&EP

P.S. to Chief Secretary to Government

P.S. to Principal Secretary to Government & CIP, Industries & Commerce Dept.

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// Forwarded:: By:: Order //

SECTION OFFICER